

FACT SHEET:

Bush Budget Keeps America Mired in Jobless Recovery

Even as middle-class Americans are struggling to achieve financial security, the Bush budget ignores the very real challenges they are facing. It fails to create jobs, and instead creates record deficits. It shortchanges education, health care, veterans' benefits, and small business. Instead of helping working families, it provides additional tax breaks for those who need them least, and billions of dollars in new giveaways to HMOs and other wealthy corporate interests.

Includes budget-busting tax cuts but fails to invest in our economic recovery. Almost 3 million jobs have been lost over the past three years, but the Bush budget squanders over \$1 trillion over the next 10 years on tax breaks for those who do not need them, creating a long-term drag on economic growth.

No help for manufacturing, but GOP tax breaks for corporate interests that ship jobs overseas. Even with 2.6 million manufacturing jobs lost over the past three years, the Bush budget fails to include a real manufacturing tax credit to create good jobs here at home. Republicans continue to push tax breaks for companies that move American jobs overseas.

Slashes funding for programs designed to help manufacturers. The Bush budget cuts the Manufacturing Extension Partnership (MEP), which helps small U.S. manufacturers with everything from plant modernization to employee training, by nearly two-thirds from FY 2003. This cut means that 11,000 small manufacturers will not receive services and 28,000 workers will either be laid off or not hired. It also proposes to eliminate the Advanced Technology Program, which spurs cutting-edge research to solve manufacturing problems.

Cuts \$79 million from the Small Business Administration. Small businesses employ nearly half of all workers and create three out of four new jobs, but the budget eliminates all funding for the SBA's largest small business loan program, and proposes to run the program solely through fee increases, substantially raising the cost for small businesses that use the program. It also freezes funding for the Microloan Program, which provides very small loans to start-ups. Since President Bush took office, funding for the Small Business Administration has decreased every year.

Fiscal irresponsibility leads to the largest deficit in history. The President's reckless disregard for fiscal responsibility has led to a \$521 billion deficit this year. By 2014, American families will pay an extra \$10,368 a year in interest on the national debt, reducing consumer demand, raising interest rates, and making it harder for families to achieve financial security.

Fails to extend unemployment insurance for long-term unemployed. The Bush budget fails to include funding for an extension of unemployment insurance to help 4.6 million unemployed Americans, even though nearly 2 million people have been looking for work for over 6 months without having found a job.

Cuts \$316 million from vocational education and community colleges & fails to increase job training and employment programs. While President Bush has highlighted a modest increase in job training, his budget cuts job training and employment programs in real terms. Further, the Bush budget slashes funding for vocational education by 25 percent. This is in addition to more than \$1.5 billion in proposed cuts to job training and vocational education programs since he took office.

